WTBA Board of Trustees Meeting Minutes

May 21, 2009

Board members present: Claudia Atwell Canouse, Char Clark, Joseph DiPietro, Michael Feuerborn, Mary Lou Griffin, Nina Hagen, Dana Halvorson, Todd Havens, Dr. Duane Hopp, Karla Laird, Boyd Lusarreta and Debbie Pabst. Staff present: Duane Belvoir.

The meeting was called to order by President Halvorson at 12:05 p.m. at the WTBA offices in Auburn, Washington.

Board Minutes: Havens made a motion to accept the April 2009 minutes as presented, which was seconded by Lusarreta and approved unanimously.

Executive Director's Report: See report following board minutes.

Responses to items:

• Membership – Belvoir answered questions and provided a list of prior members that had not renewed their membership. He again asked that each board member find 10 names from the list to contact to see if they would renew their memberships and ask why they have not become a member this year, as well as talk to them about their concerns with the association and the industry. Halvorson shared a letter he had written to his clients who were not association members. He said that it could be used as a template for others.

• Sales Committee – Belvoir answered questions pertaining to the number of entries, which led into the sales committee report provided by Pabst.

• Publications – Belvoir included a farm directory form in the board packet and asked all board members to participate in the directory and to share the form with their associates and others who might be interested in participating.

• Northwest Race Series – Belvoir answered questions pertaining to the number of stallions nominated this year for the 2012 Northwest Stallion Stakes and touched on the current series trends.

• Washington-bred Race per Day – Belvoir answered questions and shared the numbers up to this point in time. He feels the board needs to inform horsemen about how important these races are to the breeders and owners of Washington-breds, as well as the Thoroughbred industry in the state. Belvoir deferred all comments and questions until "Unfinished Business" on the agenda.

• WTBA Annual Meeting – Belvoir shared his concerns about the cost and location of the event.

He addressed having raffle tickets for a Breeders' Cup trip and other prizes to raise funds to support the cost of the event and attract more members to the meeting. Tickets would sell for $5 apiece or six for $25 and you must be present to win. Discussion followed.

• Breeders' and Owners' Awards – Belvoir deferred all comments and questions until "Unfinished Business" on the agenda.

Committee Reports:

a. Finance Committee: Belvoir shared what was discussed during the finance committee meeting and the financial reports. He also had discussed with the committee how important fundraising events would be to the future of the association. Belvoir deferred all comments and questions pertaining to fundraising until "Unfinished Business" on the agenda.

• Profit/loss – July through April, loss of $18,200.

• Balance sheet – As of March 31, $550,000.

b. Art Show Committee: Co-chairman Canouse talked about the show date and gave out art show posters. The next committee meeting will be on June 18.

c. Sales Committee: Chairman Pabst reported 207 horses were nominated to the summer yearling sale. Pedigrees have been provided to the sales committee, which is expecting to catalog around 180 horses. There is no set number at this time, as it will be based on how the horses evaluate and other factors. Pabst shared information about the new "medical information center" at the sale. Trisha Arnold, DVM, and Linda Hagerman, DVM, from the Tacoma Equine Hospital will be providing this service to the sale. Havens asked about the liability of having the center. Pabst explained that we had researched other medical centers at sales and the specifics of the new medical information center will be added to conditions of sale in the catalog. The next committee will be on May 29.

Unfinished Business:

a. Covered in executive director's report.

b. Future of breeders' and owners' awards – There was much discussion of the following items: awards actually being an extension of the purse structure; Emerald Downs retaining a percentage of breeders' and owners' awards past 2011; awards on live racing compared to live/simulcast; possible concessions; impact that the loss of owners' awards is having on breeders and the entire state industry; steadily decreasing number of future of Washington-breds is reaching a critical mass; owners and breeders continue to cut back or quit breeding and/or racing; and that we're all in this together.

Pabst went into further detail about the awards being an actual extension of the purse structure and feels it needs to be looked into further, especially since Emerald Downs would like to retain both the breeders' and owners' awards past 2011. She explained that the breeders and owners of Washington-breds have been penalized, considering they are the only ones losing part of what is actually the purse; they are paying for the opportunity to run at Emerald, while no other statebred has to pay to run at the Auburn track. Halvorson addressed the possibility of having both the WTBA and WHBPA executive committees meet with Emerald Downs' management in the near future to further discuss this matter. Havens, Lusarreta and DiPietro feel the association needs to know Emerald's plans, so that future plans can be made. Griffin feels this subject should be taken to the members. Laird feels we need to continue to negotiate with Emerald Downs in order for us to get something. Belvoir feels that, while we must continue to communicate with all parties, we do not need to negotiate in regards to the awards because of the sunset clause. Comments which followed included: Emerald Downs needs us; there is not much of a future without the awards; without the awards Emerald Downs isn't going to shutdown; Emerald is just trying to pay their bills through the horsemen; and that the state industry, which was once fifth in the country, is now 13th in number of foals. These issues will continue to be discussed in the future.

c. Washington-bred Race per Day – Feuerborn shared information about the offering of the three-pound allowance for Washington-breds when restricted races are opened up, other conditions on allowance eligibility and that racing secretary Brett Anderson is working hard to fill the races. Halvorson said how much he appreciated Feuerborn's efforts. Hagen said she had heard comments from a couple of association members about the racing secretary filling the Washington-bred races, writing too many extra races and not writing specific races for better horses. This led to a long discussion. Belvoir spoke about the difference we can make by working with others, sharing information about the races, educating everyone on how important these races are and the need for Washington-bred races in order to further breeding in Washington.

d. Fundraising – Belvoir shared his ideas and stated that we need to do a number of different fundraising events in the near future to aid the association, as well as to bring members and others together in a social setting. Several possible ideas were discussed. While it was agreed that it was necessary to do these events, nothing was definitively addressed or decided upon and the item was tabled until the next meeting.

New Business:

a. Covered in executive director's report.

b. Nomination committee – Belvoir reminded that a nomination committee needed to be formed to create a list of potential candidates for the next board election. Belvoir suggested that the nine board members who were not running for a position this year e-mail him with their short list of potential candidates within the next week. He will then develop a master list that will be sent back to the nine members for their choices of six or seven potential candidates. Belvoir will then tabulate the choices made to determine the potential candidates and then contact each person to see if they will accept the nomination to run for the board.

c. Board meeting dates – After discussion, it was decided the August meeting will be held on the 20th. Canouse suggested that board meetings be held on the same days as the Washington Horse Racing Commission meetings, in order to make it more convenient for WTBA board members to attend both meetings and also to make the association's presence known at WHRC meetings. There was discussion of this idea, which will be further discussed at the next board meeting, along with the remaining dates for 2009 board meetings.

d. Other – May 14, 2009, Washington Horse Racing Commission meeting. Halvorson shared information about the meeting topics, including the Emerald Downs' report. Belvoir was also at the meeting. Halvorson presented the status of the current Washington foal crops and asked for the board's input as to what association information should be shared with the commission. A number of ideas were shared and this item will be discussed in further detail at the next couple of board meetings. Ideas can be e-mailed to Halvorson or Belvoir.

Other – action items. Canouse and Griffin made a recommendation that Belvoir prepare future agendas with action item bullets under unfinished business, which would help maintain focus on these, as well as allow follow-up on how board members have done in regards to a specific action. Belvoir will add action items to future agendas.

The meeting was adjourned at approximately 2:30 p.m.

The next board of directors' meeting is scheduled for Saturday, July 11, 2009, at 12:00 noon.

Prepared and submitted by Duane Belvoir.

Executive Director's Report

• Membership – Creating a voice within the industry, state and the Northwest.

– Through May 15 there are 582 members, which is 36 more than reported on April 15 and 54 more this year, when compared to the same time last year. Of the current 582 members, 144 are new members of the association, compared to 105 new members at the same time last year.

– I provided the board with a list of past members, going back to 2006, who have not renewed and encouraged each board member to find past members that they know and talk with them about renewing their membership or find out why they have chosen not to renew.

– The association cannot create a voice within the industry to further develop without the members and their support. Each board member needs to participate in this aspect of the association.

• Sales Committee

– Sales committee members have received the yearling pedigrees for evaluation.

– Chairman Pabst will discuss in further detail under committee reports on the agenda.

– The next committee meeting date is scheduled for May 29; however, I would like to push this date forward.

• Finance Committee

– The fiscal reports have been shared and discussed with the finance committee.

– I have received the tax returns from Randy Farrell, CPA.

– I will discuss in further detail under committee reports on the agenda.

• Art Show Committee

– Posters have been provided for you, as well as for distribution.

• Publications

– The staff and I are currently working on the farm directory, which will come out in July.

– I have included a couple of directory applications in the board packets. I would like each board member to participate in this project in two ways: one, by being represented in the directory; and two, by asking others to participate. Feel free to make copies and distribute them to others.

– The association needs to start getting our publications out to others within the industry to either sell or distribute. If anyone is interested in participating or knows someone in other areas who may be able to help, please let me know.

• List and E-mail Listserves

– The membership e-mail newsletter is currently going out to more than 300 members.

– I have completed the list of non-current members from 2006-08 who provided us with e-mail addresses. I will occasionally e-mail them the newsletter and encourage them to become members again.

• Northwest Race Series

– Stallion nominations for mares bred in 2009, foals of 2010 (2012 stallion stakes) closed on April 15 with 17 stallions nominations ($14,725), compared to 20 ($20,000) in 2008 and 29 ($26,925) in 2007.

– In the very near future this series need to be reevaluated. We must address the steady decline in participation in this event.

• Washington-bred Race per Day

– I have included the Washington-bred races spreadsheet from Emerald Downs condition book #2 in the board packet, which was also sent out to the e-mail listserve.

– There are 12 Washington-bred races advertised over the 10 days of racing in Emerald Downs condition book #2. I do not believe that any of the extra races advertised have been for Washington-breds.

– I am curious to know what has happened regarding having two Washington-bred races advertised per day and not pulling a Washington-bred race off the board first, which has been occurring.

– Through the first 15 days of racing at Emerald Downs there have been 11 Washington-bred races.

– All horsemen need to work together to address this issue and make sure that these races are filled. We must make sure everyone understands how important it is to the state breeding industry.

• WTBA Annual Meeting

– We need to address the location of the event.

• Breeders' and Owners' Awards

– This topic needs to be discussed further and I would like to take an informal vote in regards to the awards situation.

July 11, 2009

Board members present: Claudia Atwell Canouse, Char Clark (also served as proxy for Todd Havens), Joseph DiPietro, Michael Feuerborn, Mary Lou Griffin, Nina Hagen, Dana Halvorson, Dr. Duane Hopp, Karla Laird, Boyd Lusarreta and Debbie Pabst. Staff present: Duane Belvoir. Guest: Rick Pabst.

The meeting was called to order by President Halvorson at 12:05 p.m. at the WTBA offices in Auburn, Washington.

Board Minutes: Clark made a motion to accept the May 2009 minutes as presented, which was seconded by Laird and approved unanimously.

Executive Director's Report: See report following board minutes.

Responses to items:

• Sales Committee – Belvoir answered questions, which led into the sales committee report provided by Pabst.

• Publications – Belvoir discussed the future of the magazine due to the current financial situation of the association, current trends, reduced number of advertisers and the state of the economy.

• WHRC – Belvoir deferred all comments and questions until "Unfinished Business" on the agenda.

• Breeders' and Owners' Awards – Belvoir deferred all comments and questions until "Unfinished Business" on the agenda.

Committee Reports:

a. Finance committee: Belvoir shared what was discussed during the finance committee meeting and the financial reports. Prior to the final numbers being inputted and the different categories and line items being addressed, the association had a loss of approximately $55,000 through last year. Belvoir feels a number of things will have to be addressed within the association and significant changes will have to occur in order for the association to continue to move forward. He also had discussed with the finance committee the importance of future fundraising events. Comments and questions concerning fundraising were deferred until "Unfinished Business" on the agenda. Belvoir asked that the finance committee meet prior to the end of the month to discuss the future plans of the association and to review the 2009-10 budget in order to be able to finalize the budget at the August meeting.

• Profit/loss – July through June, loss of $54,700.

• Balance sheet – As of June 30, $467,100.

b. Art show committee: Co-chairman Canouse spoke about how well the show was going and that the preview party also went very well. She touched on the attendance and how many pieces of art had been sold.

c. Sales committee: Chairman Pabst touched on the numbers for the summer sale and also discussed the winter mixed sale. The selection process for the next class of sales committee members needs to be started. Belvoir suggested that the process be the same as it was for the potential board candidates. He will send out an e-mail requesting names of potential sales committee candidates. The sales committee incumbents are Canouse and Candi Tollett. The next sales committee meeting has not been scheduled, however, one will occur in August.

Unfinished Business:

a. Covered in executive director's report.

b. Future of breeders' and owners' awards – Limited discussion followed with the focus on how the discussion at the WHRC meeting would affect future breeders' and owners' awards and what could be done to address this matter. The WHRC meeting was further discussed under "New Business" on the agenda.

c. Washington-bred race per day – Subject tabled until the next meeting.

d. Fundraising – Belvoir shared his ideas and said we need to do a number of different fundraising events in the near future to aid the association, as well as to bring members and others together in a social setting. While it was agreed that it was necessary to do these events, nothing was definitively addressed or decided upon at this time and the item was tabled until the next meeting.

e. Nomination committee – Board of directors class of 2010. The incumbents are: Nina Hagen, Karla Laird and Debbie Pabst. Others nominated are: Dr. Lutz Harfst, DVM, Charlie Dunn, Keith Swagerty and Dan McCanna. Nomination petitions can now be accepted and a form will be in the August issue of the magazine.

f. Board meeting dates – At the last meeting, Canouse had suggested having board meetings on the same days as WHRC meetings, which would make it more convenient to attend both meetings and to make the association's presence known at WHRC meetings. After discussion, it was decided that the possible change will be further discussed at the next WTBA board meeting, when remaining meeting dates for the 2009 would be addressed.

Unfinished Business: Action Items

a. Membership – Find 10 names from the list of prior members and contact them about renewing their membership or find out why they have chosen not to renew, as well as their concerns about the association and industry. Belvoir asked the results of this action item. A few the members responded, but no further discussion occurred.

b. Board member and outside participation in the farm directory – Belvoir shared information about the directory and asked how everyone had done in regards to this action item. A few of the members responded. Griffin provided a list of potential businesses and farms that may participate. No further discussion occurred.

New Business:

a. Covered in executive director's report.

b. Amendment to bylaws (Article V, Directors) – Belvoir presented an amendment to the association's bylaws which would address qualifications to become a board member that are in line with the WTBA mission statement. The potential new bylaw states: "Each director elected or appointed to the board of directors shall be a member of the association, and be engaged in breeding, owning, racing and/or interested in improving the breed of Thoroughbred horses in the state of Washington at the time of their respective election or appointment." The new bylaw will be voted on at the next meeting.

c. Other – Annual meeting agenda – Belvoir shared the tentative agenda for the meeting and asked if there were any changes or additional items that needed to be added. It was suggested that the door prize be given during the middle of the meeting. Halvorson spoke with Ron Crockett and asked him if he could give a brief presentation in regards to Emerald Downs. After a brief discussion, it was agreed that Crockett 's presentation and a question and answer session will be held at the end of the agenda.

d. Other – Washington-bred certification program – Pabst would like to form an exploratory committee to address a certification program for Washington-breds. She suggested we acquire material from California and Florida, as well as other states to see how they have implemented their programs. Discussion followed. Griffin, Lusarreta, Laird and Clark volunteered to participate on the committee. Pabst will contact them to set up a meeting.

e. Other – July 9, 2009, Washington Horse Racing Commission meeting – Belvoir feels the issue of breeders' and owners' awards could have a significant impact and ramifications on the future of the breeders and owners of Washington-breds and the Thoroughbred industry within the state. The WHRC asked the assistant attorney general of Washington to provide the them with an opinion of the definition of a race meet. Based on that legal opinion, they are of the opinion that breeders' and owners' awards should be paid out on a live race meet only and not include simulcast racing. There will be further discussion at the August WHRC meeting.

The majority of the board expressed concern about this possible change. Some of the comments included: the attorney general's office is not aware of all the intangibles; precedent has been set over the past 13 years; concern regarding why Emerald Downs is doing this at this time; effect on breeders and owners; need to get legal opinion/ interpretation of the definition and the law; and what can the association do to address this matter for the breeders and owners.

It was felt that this information needs be shared with other breeders and owners and to encourage them to attend the August WHRC meeting. Belvoir asked how the association would like to address this matter at the next WHRC meeting, but the issue was not addressed at this time.

However, it was agreed that the board members could speak as individuals and on behalf of their clients at the August WHRC meeting. There is a need to present letters and e-mails from clients, breeders and owners to the commission, as well as proxy letters that give the speaker the right to represent and speak on behalf of their clients and/or members. A few members suggested talking to other attorneys and having their opinions available for the meeting. Belvoir asked Halvorson about Crockett having obtained three other opinions of the definition, including one from Halvorson, which concur with the attorney general's. Belvoir then asked Halvorson if he was acting for himself or on behalf of the association in regards to acquiring a legal opinion about the definition of a race meet. Halvorson said he had acted for himself in order to have a better understanding of the definition. Hagen said we need to acquire all possible information in order to address this matter and how it will affect the breeders and owners. This topic will be discussed in future meetings.

Good and Welfare:

a. Covered in executive director's report under the "Thank You" category.

b. Belvoir thanked Jack Arnold for donating a suite in Las Vegas and the anonymous board member who donated the condo in Cabo San Lucas, Mexico, for the annual meeting raffle.

The meeting was adjourned at approximately 2:10 p.m.

The next board of directors' meeting is scheduled for Thursday, August 20, 2009, at 12:00 noon.

Board minutes are tentative until approved at August board meeting.

Prepared and submitted by Duane Belvoir.

Executive Director's Report

• Membership – Creating a voice within the industry, state and the Northwest.

– Through June there are currently 615 members.

– I am curious as to how you have done in regards to contacting the past members from the list I provided you.

– The association cannot create a voice within the industry to further develop without the members and their support. Each board member needs to participate in this aspect of the association.

• Sales Committee

– There are 179 yearlings cataloged for this year's summer yearling sale.

– Catalog should be mailed out in the first week of August.

– The catalog will be available on the website within the next couple of weeks.

– I am currently working on the winter mixed sale entry form.

– Pabst may discuss the sale in further detail under committee reports on the agenda.

– The next meeting date has not been scheduled at this time.

• Finance Committee

– The fiscal reports have been shared and discussed with the finance committee.

– I will discuss the committee in further detail under committee reports on the agenda.

– I will ask the finance committee to meet prior to the end of the month to finalize the budget for the fiscal year 2009-10.

• Art Show Committee

– The preview party went very well and the show is being well attended.

– Canouse may discuss in further detail under committee reports on the agenda.

• Publications

– The magazine won two awards at the American Horse Publications (AHP) 2008 Awards banquet.

– The 2009-11 *Pacific Northwest Horseman's Resource* (previously known as the farm directory) will be out in the next week or two.

– I am curious as to how asking others to participate in the directory went.

– I have major concerns regarding the future of the magazine because of the current financial situation of the association, current trends, reduced number of advertisers and the state of the economy.

• List and E-mail Listserves

– The membership e-mail newsletter is currently going out to more than 300 members, as well bimonthly to over 250 non-members.

• Washington-bred Race per Day

– Through July 5, there have been 35 Washington-bred races, which is eight races shy of the necessary one Washington-bred race per day. While this is much better than last year at the same time, I believe that we can do better to fill these races if everyone addresses this issue.

– All of the horsemen need to work together to make sure that these races are filled. We must make sure everyone understands how important it is to the Thoroughbred industry within the state.

• Washington Horse Racing Commission – July 9, 2009, commission meeting

– The discussion that was held regarding live vs. simulcast racing monies and its support of breeders' and owners' awards could have a significant impact and ramifications on the future of the breeders and owners of Washington-breds and the Thoroughbred industry within the state.

– The commission had the state attorney general's office provide them with an opinion of the definition of a race meet and whether or not breeders' and owners' awards should be paid on both live and simulcast racing or only be paid on the live race meet. The assistant attorney general's opinion, due to the definition of race meet, is that breeders' and owners' awards should only be paid out on a live race meet, and not include simulcast racing.

– After assistant attorney general Marta DeLeon shared her legal opinion, Pabst asked a couple of questions, talked about intent and expressed her concerns in regards to the ramifications of the industry within the state. Diane Garrison asked why this is being addressed now. Crockett shared a little information as to the reason why and that it would have been addressed in 2011. He had obtained three other opinions of the definition, all which concurred with the attorney general.

– WHRC meeting minutes are printed in the *Washington Thoroughbred*, as well being listed on the WHRC website (whrc.wa.gov), along with other pertinent information pertaining to the industry. Upon request to the WHRC, you can also obtain a complete audio recording of the commission meetings.

– There will be further discussion of this matter at the August WHRC meeting.

• Breeders' and Owners' Awards

– To be discussed further and presented for an informal vote. I believe members would like to know each board member's stance on this issue, especially considering what occurred at the WHRC meeting.

• Board Nominations

– Class of 2010. Incumbents: Nina Hagen, Karla Laird and Debbie Pabst. Other members who have accepted nomination: Dr. Lutz Harfst, DVM, Charlie Dunn, Keith Swagerty and Dan McCanna. There is one more potential candidate.

– Nomination petitions with the original or faxed signatures of ten WTBA members in good standing, as well as a brief curriculum vitae, which consists of pertinent data and a brief statement of qualifications, are now being accepted.

• Annual Meeting

– To be held on July 11, 2009, at Emerald Downs. Hope is for 150 or more in attendance.

– Raffles – A trip to the Breeders' Cup and a week in Cabo San Lucas.

– Door prize – A week in Las Vegas, provided by Jack Arnold.

• Thank you

– Thank you to Jack Arnold for donating his suite in Las Vegas as a door prize.

– Thank you to the anonymous board member who graciously donated his condo in Cabo San Lucas, Mexico, as a raffle prize. ■